

HUMMINGBIRD LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of U.S.\$)

U.S. GAAP

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-------------------|------------------|-------------------|
| | March 31 | | March 31 | |
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| CASH PROVIDED BY (USED IN) | | | | |
| OPERATING ACTIVITIES | | | | |
| Net income (loss) | \$ 4,935 | \$ (1,213) | \$ 5,489 | \$ (2,942) |
| Add (deduct) items not affecting cash: | | | | |
| Amortization of other intangible assets | 5,445 | 4,502 | 11,107 | 9,418 |
| Stock-based compensation expense | 536 | - | 1,024 | - |
| Deferred income taxes | 542 | (2,232) | (1,463) | (4,438) |
| Depreciation | 769 | 896 | 1,545 | 1,763 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 1,791 | (89) | (3,238) | (1,213) |
| Unbilled receivables | (125) | (44) | (4) | 239 |
| Income taxes recoverable / payable | (8,481) | (3,786) | (6,274) | (8,082) |
| Inventory | 265 | (124) | 297 | (101) |
| Prepaid expenses | (884) | (2,029) | (227) | (2,071) |
| Other receivables | (14) | (823) | 241 | (840) |
| Accounts payable and accrued liabilities | 1,028 | (1,815) | (2,978) | 4,814 |
| Deferred revenue | 4,830 | 1,643 | 6,846 | 2,305 |
| | 10,637 | (5,114) | 12,365 | (1,148) |
| INVESTING ACTIVITIES | | | | |
| Short-term investments - net matured | - | - | - | 4,943 |
| Decrease in other assets | (208) | 315 | 67 | 384 |
| Acquisition of subsidiaries | - | - | - | (822) |
| Additions to fixed assets | (586) | (626) | (1,185) | (939) |
| | (794) | (311) | (1,118) | 3,566 |
| FINANCING ACTIVITIES | | | | |
| Repayment of other long-term liabilities | (881) | (49) | (932) | (108) |
| Shares repurchased | (1,960) | - | (1,960) | - |
| Issuance of shares | 1,226 | 392 | 1,253 | 1,230 |
| | (1,615) | 343 | (1,639) | 1,122 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 8,228 | (5,082) | 9,608 | 3,540 |
| FOREIGN EXCHANGE GAIN (LOSS) ON CASH HELD IN FOREIGN CURRENCY | 287 | - | (307) | - |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 85,783 | 134,165 | 84,997 | 125,543 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | \$ 94,298 | \$ 129,083 | \$ 94,298 | \$ 129,083 |
| NON CASH ITEMS | | | | |
| Unpaid contingent consideration | - | - | 10,700 | - |
| SUPPLEMENTARY CASH FLOW INFORMATION | | | | |
| Interest paid | \$ 9 | \$ 33 | \$ 14 | \$ 36 |
| Income taxes paid | 5,212 | 4,961 | 5,086 | 10,203 |
| Interest received | 791 | 601 | 1,494 | 1,305 |